

EXHIBIT 2



News

Latest Press Releases

USA Technologies Announces New Date for Annual Meeting Due to Misleading, Inaccurate and Selective Disclosure by Dissident Group

December 9, 2009

USA Technologies Sends Letter to Shareholders

December 7, 2009

USA Technologies Ranked #6 in US, #34 Worldwide for POS Terminal Shipments for 2008

December 3, 2009

USA Technologies Sends Letter to Shareholders

December 1, 2009

USA Technologies Sends Letter to Shareholders

November 24, 2009

USA Technologies, Inc. Issues Open Letter to Shareholders

November 20, 2009

USA Technologies, Inc. Reports First Quarter Fiscal 2010 Financial Results

November 9, 2009

USA Technologies Issued 71st Patent

October 22, 2009

USA Technologies Appoints Steven D. Barnhart and Jack E. Price to Its Board of Directors

October 21, 2009

USA Technologies Surpasses \$5M a Month in Processed Cashless Transactions

October 13, 2009

USA Technologies Reports Full Year Fiscal 2009 Financial Results

September 25, 2009

Enhanced ePort Solution Offers Unique Industry Interoperability and Vending Machine 'Health' Alerts

September 25, 2009

Compass Group Leads the Charge in Providing Exceptional Customer Service through the ePort Cashless Vending Solution

September 24, 2009

USA Technologies, Inc. Announces Successful Conclusion of Rights Offering

August 7, 2009

USA Technologies and Visa to Expand Visa payWave Acceptance Nationwide with ePort Solution

July 30, 2009

USA Technologies Expands 'Quick Start' Program

July 28, 2009

USA Technologies Issues Letter to Shareholders

July 23, 2009

USA Technologies Rights Offering Registration Statement Declared Effective

July 8, 2009

USA Technologies, Inc. Announces Record Date for Rights Offering

June 30, 2009

USA Technologies Announces Availability to Customers of ePort EDGE

June 1, 2009

USA Technologies Files Registration Statement For Rights Offering

May 22, 2009

USA Technologies Announces Availability of ePort SDK - an End to End Encrypted Solution for Unattended Point of Sale

May 13, 2009

USA Technologies Holds 2009 Annual Shareholders' Meeting

April 29, 2009

USA Technologies Announces New ePort Connect Deployment Consulting Service

April 17, 2009

USA Technologies Announces Next Generation ePort Connect

April 16, 2009

USA Technologies' Leadership in Cashless Payment Technology Featured in Two Strategic Industry Media

March 24, 2009

USA Technologies Expands into \$4B Office Coffee Industry

February 18, 2009

USA Technologies Expanding ePort Connect Cashless Payment Service into Canada

February 9, 2009

USA Technologies Reports Second Quarter Fiscal 2009 Results

February 9, 2009

USA Technologies Begins Calendar 2009 With Next Generation ePort Products and Services and Reduced Operating Expenses

January, 12 2009

Nine More Universities & Colleges Installing eSuds™ Online Laundry System, bringing total to 59

January, 9 2009

USA Technologies Issues Letter to Shareholders

December 23, 2008

Gainesville Regional Utilities Gives Away VendingMiser® Smart Technology

December 9, 2008

USA Technologies Ranked Number 26 in Deloitte's Fast 50 Program for Greater Philadelphia

October 31, 2008

Record Growth Ranks USA Technologies #6 in US, #26 Globally for POS Terminal Shipments in 2007

October 24, 2008

33 Utilities Join USA Technologies' Rebate Program to Offset Rising Energy Costs

October 22, 2008

USA Technologies Showcases New products at The National Automatic Merchandiser Association's National Expo

October 15, 2008

USA Technologies Strikes an Exclusive OEM Agreement with AIR-serv for ePort® G8 Terminals and ePort Connect® Services

October 7, 2008

USA Technologies to Present at the William Blair Small-Cap Growth Stock Conference

October 7, 2008

USA Technologies Launches New ePort® Devices

October 6, 2008

USA Technologies Fiscal 2008 Revenue Exceeds \$16.1 Million

September 24, 2008

New Cashless Vending Research by USA Technologies Confirms Rapidly Changing Consumer-Purchasing Habits

September 11, 2008

USA Technologies Launches Next Generation, Lower Cost VM2iQ® EnergyMiser®

August 26, 2008

USA Technologies to Present at the Noble Financial Equity Conference

August 15, 2008

USA Technologies Announces First \$5 Million Quarter, Up 105% Versus Previous Fiscal

Year Fourth Quarter

July 22, 2008

USA Technologies Issued EnergyMiser® International Patent

July 10, 2008

USA Technologies to Present a Second Time at Washington Energy Conference

June 19, 2008

USA Technologies' EnergyMiser™ Sales Grow 39 Percent as Businesses Turn to Conservation Technology

June 12, 2008

Presidio Installs USA Technologies' VendingMiser® Devices to Lower Carbon Footprint and Energy Consumption

June 11, 2008

U.S. Bank and Visa Recognize USA Technologies' Efforts in Visa payWave Program

June 3, 2008

Strong Demand for USA Technologies' New G7 ePort® Results in Recent Orders for 8,000 Terminals

May 19, 2008

USA Technologies Announces Third Successive Record Fiscal Quarter

May 6, 2008

Marine Corps Hawaii Converts Vending Machines to "Green" With USA Technologies' EnergyMiser®

April 30, 2008

USA Technologies' New Products Launched at the NAMA Trade Show Result in Increased Sales

April 2, 2008

USA Technologies Launches the ePort® G7

March 27, 2008

USA Technologies Launches Three New ePort® Connect Programs Targeting the Vending Industry

March 27, 2008

USA Technologies and ViVotech Expand Their Relationship to Meet Increasing Market Demand

March 25, 2008

Number of Energy Utilities Offering EnergyMiser® Rebates Nearly Doubles to 45 Nationwide

March 5, 2008

USA Technologies eSuds™ Extends Its Reach Abroad

February 20, 2008

MasterCard and USA Technologies Expand MasterCard® PayPass™ Acceptance to 17,500 Vending Locations Nationwide

February 13, 2008

USA Technologies Announces Second Successive Record Quarter for Fiscal Year 2008

February 11, 2008

USA Technologies' ePort® Enables Students to Make Vending Purchases Using NFC Cellular Phones at Gonzaga University

January 29, 2008

USA Technologies ePort Integrates Support for Discover Network Zip Technology into its Contactless Payment Vending System

January 22, 2008

USA Technologies, Inc. Retains Porter, Levay & Rose, Inc. as Investor Relations Counsel

January 15, 2008

Vending Companies Quick to Respond to USA Technologies "Quick Start" ePort® Service Plan

January 7, 2008

USA Technologies Issues Letter to Shareholders

November 19, 2007

USA Technologies Returns to World's Biggest Credit Card Expo with Full e-Port® Product Line

November 14, 2007

USA Technologies Announces Record Revenue for Fiscal First Quarter

November 13, 2007

USA Technologies Issued Patent for VM2iQ® Vending Machine Energy Conservation Technology

November 5, 2007

Nine Energy Utilities Join USA Technologies' EnergyMiser® Rebate Program

October 23, 2007

USA Technologies Completes \$15 Million Private Placement

October 17, 2007

USA Technologies Launches the "Quick Start" e-Port® Service Plan

October 10, 2007

Houston to Deploy USA Technologies' VendingMiser® City-wide to Lower Energy Consumption and CO2 Emissions

October 5, 2007

Fantasy Entertainment Installs USA Technologies' Cashless Payment Technology in 1,000 Photo Kiosks Nationwide

September 27, 2007

USA Technologies Issues Letter to Shareholders

September 27, 2007

New Appointments to Help Drive USA Technologies Expansion

September 20, 2007

USA Technologies Welcomes Texas Law to Improve Vending Machine Efficiency as Historic

September 17, 2007

Canteen Vending Services Installs USA Technologies' e-Port® Card Payment Solution

August 29, 2007

Bed Bath & Beyond® Focuses on Vending Machines in Effort to Lower Energy Consumption and CO2 Emissions

August 23, 2007

MasterCard and USA Technologies to Expand MasterCard® PayPass™ Rollout to Another 7,500 Locations Nationwide

August 7, 2007

USA Technologies Approved for Listing on NASDAQ Global Market

July 31, 2007

Federal Reserve Decision Expected to Accelerate Adoption of Cashless Technology in Vending and Other Small Ticket Cashless POS Markets

July 2, 2007

California County Deploys USA Technologies VendingMiser® to Lower Energy Consumption and CO2 Emissions

June 15, 2007

USA Technologies Announces Record Revenue for Fiscal Third Quarter

May 16, 2007

Six Leading Vending Companies Install USA Technologies e-Port® Technology to Accept MasterCard™ PayPass® Contactless Payments

April 24, 2007

USA Technologies Launches e-Port Connect™ Wireless Payment Service for Self Service Point-of-Sale

April 19, 2007

Coca-Cola United, Nation's Third Biggest Bottler, to Convert Vending Machines to Cashless Credit Card Payments

April 9, 2007

MasterCard & USA Technologies Expand MasterCard® PayPass™ e-Port Deployment to Include Great Plains Coca-Cola Bottling Co.

March 20, 2007

USA Technologies Approved For Listing on The NASDAQ Capital Market

March 15, 2007

USA Technologies to Present at the Roth Capital Partners 19th Annual OC Stock Conference

February 21, 2007

USA Technologies Announces Record Revenues for Fiscal Second Quarter

February 13, 2007

Dallas CBS News Hails e-Port® Cashless Vending Machines as "Wave of the Future"

February 2, 2007

Beverage Vending Machines Equipped with USA Technologies' VM2iQ® First Rebuilt Models to Qualify for ENERGY STAR®

January 18, 2007

USA Technologies Redeems \$4.3 Million in Convertible Senior Notes

January 4, 2007

MasterCard and USA Technologies to Expand MasterCard® PayPass™ Deployment to Include Cadbury Schweppes

December 21, 2006

MasterCard and USA Technologies to Trial MasterCard® PayPass™ in Ohio Turnpike Tollbooths

December 21, 2006

USA Technologies Completes a \$8.4 Million Private Placement

December 15, 2006

USA Technologies Issues Letter to Shareholders

December 6, 2006

Hawaii Army National Guard Deploys USA Technologies' EnergyMiser®

November 30, 2006

MasterCard and USA Technologies to Expand MasterCard® PayPass™ Deployment to Nationwide Rollout of 5,000 e-Port® Devices

November 16, 2006

USA Technologies Launches World's First Self Contained Roving Business Center on Wheels

November 14, 2006

USA Technologies Announces Record Fiscal Year 2007 First Quarter Revenue

November 13, 2006

USA Technologies Unveils e-Port G6 at World's Largest Payments Trade Show in Paris

November 6, 2006

USA Technologies Unveils Survey Confirming That Consumers Spend 32% More Using Credit Cards in Vending

November 3, 2006

Bank of America Chooses USA Technologies' e-Port® for Credit Vending Program

October 27, 2006

USA Technologies Launches Financing Subsidiary

October 25, 2006

USA Technologies Launches Conversion Program for Existing Rebuilt Refrigerated Beverage Vending Machines to Become ENERGY STAR® Qualified

October 20, 2006

USA Technologies Announces Record Quarterly Revenue

October 9, 2006

Arizona State Government and City of Tucson Install VendingMiser® Devices to Help Lower Energy Consumption

October 4, 2006

US Coast Guard Installs EnergyMiser® to Lower Energy Consumption and Cost on California Bases

October 3, 2006

USA Technologies Announces Fiscal 2006 Results and Record Revenue with a Revenue Increase of 37% and a Gross Profit Increase of 68%

September 28, 2006

Wisconsin Becomes 24th Utility to Offer Rebates for USA Technologies' Energy Miser™

September 13, 2006

Pennsylvania Government Explores Ways to Implement USA Technologies' EnergyMiser® Statewide

September 6, 2006

USA Technologies to Demonstrate EnergyMiser® Product Line to Pennsylvania Government

August 28, 2006

USA Technologies' EnergyMiser® Deployed on the Nation's Largest Army Base to Save Electricity and Cost

August 24, 2006

USA Technologies Embarks on Summer e-Suds™ Laundry Deployment

August 17, 2006

USA Technologies Issues Letter to Shareholders

July 26, 2006

USA Technologies Issued e-Port® Patent Applicable to Cashless Vending

July 26, 2006

USA Technologies Senior Advisor on Energy Management Speaks Before U.S. Department of Energy

July 13, 2006

CBS Television Features USA Technologies in Special Report on Cashless Vending

July 10, 2006

CBS News to Feature e-Port G6 Driving MasterCard's PayPass in Coke Philadelphia Vending Machines

July 6, 2006

MasterCard, Philadelphia Coca-Cola Bottling Company and USA Technologies Introduce Contactless "Tap & Go™" Payment Technology in Vending Machines

June 27, 2006

Blackboard Becomes USA Technologies' Reseller to Expand Distribution of e-Suds™ Online Laundry Service to Colleges and Universities Nationwide

May 24, 2006

Fox National News Features USA Technologies' e-Suds™ Online Laundry System

May 19, 2006

Third Major Florida School District Implements USA Technologies' EnergyMiser® to Lower Energy Costs

May 18, 2006

USA Technologies Announces Third Quarter Financial Results

May 15, 2006

USA Technologies Expands Contract with U.S. Government's General Services Administration

April 27, 2006

Two Global Giants - one Fortune 50 and one Fortune 100 - Select USA Technologies EnergyMiser® to Lower Cost of Electricity

April 20, 2006

USA Technologies, Inc. Talks to The Wall Street Transcript

April 10, 2006

Investology Reiterates Positive Rating on USA Technologies

April 10, 2006

Vista Partners Initiates Coverage on USA Technologies

March 31, 2006

Industry Leaders Acknowledge e-Port Survey as "Significant to New Cashless Direction of Vending"

March 28, 2006

USA Technologies Launches the e-Port® G6

March 23, 2006

USA Technologies' Vending Machine Survey Confirms Consumers Spend on Average 50% More When Paying with Credit/Debit Cards

March 21, 2006

USA Technologies Announces PC Express®

March 17, 2006

USA Technologies Issues Letter to Shareholders

March 13, 2006

USA Technologies Ships to 19 More VendingMiser® Customers Nationwide

March 9, 2006

USA Technologies Receives Notice of Allowance for Two Intelligent Vending® Patents

March 7, 2006

USA Technologies Expands Rebate Program with 22 Energy Utility Partners Nationwide

March 6, 2006

USA Technologies' Information To Be Available Through S&P Market Access Program

March 3, 2006

USA Technologies Receives Largest Order to Date from School System for VendingMiser Products

March 1, 2006

USA Technologies Reports Strong Start for Miser Sales for 2006

February 27, 2006

USA Technologies Announces Change in Ticker Symbols

February 17, 2006

USA Technologies Reports Record Second Quarter Revenue

February 14, 2006

USA Technologies, Inc. files SEC form 8-K, Completes \$4 Million Private Placement with a large Boston-based Institutional Investment Advisor (PDF)

December 19, 2005

USA Technologies Completes \$4 Million Private Placement with a large Boston-based Institutional Investment Advisor

December 19, 2005

Chairman's Speech, USA Technologies Inc. Shareholder Meeting (PDF)

December 13, 2005

USA Technologies VendingMiser® and SnackMiser™ Devices Installed at Several Ford Motor Company Facilities

December 7, 2005

USA Technologies to Hold Annual Shareholder's Meeting on December 13th

December 5, 2005

ViVotech and USA Technologies Partner to Develop Contactless Payment System for the \$1.32 Trillion Micro-Payments Segment

November 22, 2005

USA Technologies' Product Line Among Finalists For the Best New Product at the

International Hotel, Motel & Restaurant Show

November 16, 2005

Investology Reiterates Positive Rating on USA Technologies and 24-month Price Target of \$0.61

November 15, 2005

Alliance Laundry Systems-Speed Queen Announce Laundry Machine Interface for USA Technologies' e-Suds™ Systems

November 11, 2005

USA Technologies Becomes an ENERGY STAR Partner

November 8, 2005

USA Technologies Reports Increased Revenue and Reduced Operating Expenses for Fiscal 2006 First Quarter

November 7, 2005

USA Technologies Reports on Major Developments at Vending Industry Trade Event

November 1, 2005

USA Technologies Works With MasterCard to Prepare \$40 Billion Vending Industry for Contactless Payments

October 26, 2005

Sacramento Utility Latest to Offer Rebate for USA Technologies' VendingMiser®

October 17, 2005

Amy's Kitchen Selects e-Port® Cashless Vending

October 10, 2005

Forestry Service Latest Government Authority to Purchase VendingMisers® Online from USA Technologies

October 5, 2005

KRh Thermal Systems and USA Technologies Agree to Deploy the e-Port® System in 500 Locations; Companies Also Agree to Negotiate an Intellectual Property Licensing Agreement

October 3, 2005

USA Technologies Issues Letter to Shareholders

September 29, 2005

USA Technologies Launches New, More Customer Friendly Web Site; Offers Improved On-line Product Ordering Process

September 23, 2005

USA Technologies' e-Port® Enables Golf Ball Dispensing Machines to Accept Credit Cards; Technology Driving Increase in Sales and Customer Satisfaction

September 22, 2005

Investology Initiates Coverage of USA Technologies with a Positive Rating and

24-month Price Target of \$0.61

September 13, 2005

PDF of Presentation to Roth Capital Partners Investor Conference

September 8, 2005

Universities to Install PictureStations with USA Technologies Credit Card Solution

September 6, 2005

Vending Industry Media Service Promotes Cashless as New Competitive Weapon

August 30, 2005

USA Technologies Showcases Clean Air Capability of its Energy Management Products at the EPA Air Innovations Show

August 29, 2005

USA Technologies to Present at Roth Capital Partners Investor Conference On Thursday September 8th

August 29, 2005

USA Technologies Awarded Eighth Energy Management Patent for Vending Machines and Coolers

August 23, 2005

California State Government Organization Purchases USA Technologies VendingMiser®

August 18, 2005

USTT and WPCS Update the Investment Community in Exclusive WallSt.net Interviews

August 17, 2005

USA Technologies Introduces New e-Port® Solution for Cashless Vending on College Campuses

August 17, 2005

USA Technologies Demonstrates Energy Management Technology to 1,500 Energy Professionals

August 15, 2005

USA Technologies Chairman/CEO Issues Letter to Shareholders

August 3, 2005

USA Technologies, Inc. Files SEC form 8-K, Entry into Material Agreement (PDF)

July 27, 2005

USA Technologies Reports Record Increase in New e-Suds™ Customers

July 26, 2005

USA Technologies Announces Approximately 100% Increase in Fiscal Year 2005 Fourth Quarter Versus Fourth Quarter Year Ago; Company Enters Fiscal 2006 with Record Backlog of Orders

July 13, 2005

Navy Purchases USA Technologies' Energy Management Products Through GSA

Advantage System

July 11, 2005

Copyright © 2007-2009 USA Technologies, Inc. All rights reserved



News

USA Technologies Issued e-Port® Patent Applicable to Cashless Vending

Technology Authorizes Credit Card Approval, Item Selection, Price and Inventory Control

Malvern, PA, July 26, 2006 -- USA Technologies, Inc. (OTC Bulletin Board: USAT) announced today it had been issued another e-Port patent related to opening up the \$44 billion vending market to cashless and Intelligent Vending.

"With card companies targeting vending as the next big cashless opportunity, patents applicable to vending technology have never been more critical," said George R. Jensen, Jr., Chairman & CEO, USA Technologies. "We believe that it is important to pursue a patent strategy that not only protects your products, but gives your customers confidence in your products."

The latest e-Port patent, number 7,076,329 for Cashless Vending Transaction Management by a Vend Assist Mode of Operation, comes after USA Technologies signed an historic contract with MasterCard to deploy the first 1000 cashless vending machines equipped with the e-Port Generation Six transaction device.

The vend assist technology gives operators the ability to optimize vending machine sales based on real-time information. The patent protects a vending system that can be configured to interface and control vending activity, such as credit card approval, item selection, price and inventory management, whether connected by wire or wireless. The patent is the 65th patent granted to USA Technologies, establishing the company as a vending industry technology leader and center of competence.

"Our e-Port technology allows consumers to make purchases from vending machines simply by waving their credit card in front of the e-Port radio frequency reader. Nothing could be faster, more efficient or convenient, and MasterCard and other card companies are working with us to bring the technology to market," said Mr. Jensen.

USA Technologies owns a family of Intelligent Vending® patents that apply to radio frequency swipe card and contactless card technology. The Company believes that these technologies are also setting the stage for driving significant revenues from licensing intellectual property.

"In today's competitive marketplace driven daily by new Internet technologies, you must consider leveraging your intellectual property to generate a financial return through licensing. That has been a constant objective of USA Technologies' patent strategy, and as more companies now see value in licensing our technology and industry know-how," said Mr. Jensen.

USA Technologies' leading edge product line is creating value through innovation -- redefining industries, expanding markets, and growing revenues. The company includes among its customers some of the biggest, most prestigious companies in the Fortune 500.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.



News

USA Technologies Approved For Listing on The NASDAQ Capital Market

Company Completes \$10 Million Private Placement with S.A.C. Capital

MALVERN, Pa, March 15, 2007 -- USA Technologies (OTCBB: USAT) announced today that its common stock has been approved for listing on The NASDAQ Capital Market. The Company's common stock will commence trading, under its current trading symbol "USAT", on Monday, March 19, 2007. Until that date, the Company's common stock will continue to trade on the OTC Bulletin Board.

The Company also announced that it has completed a \$10 million private placement of common stock and warrants with S.A.C. Capital Associates, LLC. The Company sold 1,666,667 million shares at \$6.00 per share and issued six year warrants, exercisable to purchase 833,333 shares of common stock at \$6.40 per share. The Company used a portion of the proceeds to repay \$1.6 million in Convertible Senior Notes maturing December, 2008. The repayment of the Notes will save the Company an estimated \$190,000 in interest expense annually. Recently, USA Technologies also repaid \$4.3 million in Convertible Senior Notes.

"The approval of our listing on NASDAQ is a significant strategic milestone in USA Technologies' development as a publicly traded company," stated George Jensen, Chairman and CEO of USA Technologies. "We believe that our listing reflects the progress the Company has made in developing and implementing its technology. With leading companies such as MasterCard Worldwide helping us to rapidly deploy e-Port® across the country and growing adoption of our e-Port® G6 technology by Fortune 100 companies, the Company has never been better positioned for growth. I would also like to welcome S.A.C. Capital Associates, LLC as our largest shareholder. Our listing on NASDAQ should help expand the marketability of our stock and enhance our profile within the investment community."

The securities issued in the private placement have not been registered under the Securities Act of 1933 or state securities law and may not be resold in the United States absent registration under such act and applicable state securities laws or an applicable exemption from those registration requirements. The Company has agreed to register the shares of common stock sold as part of the private placement and the common stock issuable upon exercise of the warrants for resale under the Securities Act of 1933.

About NASDAQ:

NASDAQ® is the largest electronic equity securities market in the United States. With approximately 3,200 companies, it lists more companies and, on average, trades more shares per day than any other U.S. market. It is home to category-defining companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology industries. For more information about NASDAQ, visit the NASDAQ Web site or the NASDAQ Newsroom.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.



News

MasterCard and USA Technologies to Expand MasterCard® PayPass™ Rollout to Another 7,500 Locations Nationwide

Record Deployment Gives Consumers More Options at Vending Machines Nationwide; Continues Vending Industry's Transition to Cashless

PURCHASE, NY, August 7, 2007--MasterCard Worldwide and USA Technologies Inc (NASDAQ: USAT) today announced the installation of a record number of cashless payment terminals into Coca-Cola Enterprises vending machines in several markets nationwide. With this innovative move, consumers in several U.S. markets will no longer have to dig for coins or have exact change to purchase their favorite Coca-Cola products from a vending machine.

Coca-Cola Enterprises Inc., the world's largest non-alcoholic beverage bottler, will install the new terminals in selected vending machines in the Atlanta, Boston, Chicago, Denver, Las Vegas, Miami, New York and Seattle markets. The deployment of up to 7,500 G-6 e-Port terminals represents the broadest single deployment of the cashless vending terminals to date, and more than doubles the number of e-Port terminals installed in Coca-Cola system vending machines in the United States.

"Consumers are always seeking new and innovative ways to enjoy Coca-Cola products," said Tom Barlow, Vice President, North American On-Premise Sales and Service, Coca-Cola Enterprises Inc. "By equipping our vending machines with cashless vending technology, we're allowing consumers to enjoy the convenience and speed of paying with their credit or debit card while we improve our company's efficiency and effectiveness."

In addition to providing greater speed and convenience for consumers, e-Port and PayPass help vending machine operators improve efficiency by allowing companies to monitor and manage their vending machines online.

"This project is also aligned with our increased focus on corporate responsibility and sustainability," added Barlow. "The information that these devices provide will enable us to decrease our out of stocks, improve our service and help reduce our fuel consumption."

To make a cashless transaction at MasterCard PayPass e-Port activated vending machines, consumers tap their PayPass-enabled payment card or device on the e-Port terminal. The terminal flashes a light, displays a message and produces a tone to signal the completion of the transaction in seconds. No signature is required. Traditional magnetic stripe cards are also accepted.

"Consumers continue to demonstrate that they want the speed and convenience of using a payment card when making purchases from vending machines, and MasterCard PayPass and e-Port deliver," said T.J. Sharkey, Senior Vice President, U.S. Merchant Sales, MasterCard Worldwide. "MasterCard PayPass contactless payments are ideal for traditionally cash-dominant environments like the vending market, where a quick and simple payment process drives a positive customer experience."

"We are excited to again be working with MasterCard and with yet another significant company in the \$46 billion beverage and bottling industry in deploying wireless activated cashless technology in vending machines," said George R. Jensen, Chairman and CEO, USA Technologies Inc.

The United States is rapidly becoming a cashless market, with most quick service restaurants and convenience stores now accepting payment cards. The latest deployment confirms an accelerating trend in the vending industry to convert to cashless transactions.

"We are beginning to see a steady increase in average purchases across the board in the 6,000 e-Port MasterCard PayPass accepting machines that we deployed over the past nine months," added Sharkey. "When consumers are not limited to the coins and small bills they have on hand, they are able to purchase what they want, and as a result we are seeing higher purchase volumes."

About MasterCard PayPass

MasterCard PayPass is ideal for traditional cash-heavy environments where speed is essential, and has led the way in bringing contactless technology to consumer categories such as quick serve restaurants, drug stores, gas stations, vending machines, convenience stores, sports arenas, movie theaters, transit systems and parking garages. There are nearly 13 million PayPass cards and devices issued globally, and PayPass is currently accepted globally at 46,000 merchant locations, including participating 7-Eleven, CVS, McDonald's, Regal Entertainment Group theaters and many others. PayPass is also accepted at numerous football and baseball stadiums. For more information about MasterCard PayPass and a full list of participating merchants, visit

www.mastercard.com/PayPass

About MasterCard Worldwide

MasterCard Worldwide advances global commerce by providing a critical economic link between financial institutions, businesses, cardholders and merchants worldwide. As a franchisor, processor and advisor, MasterCard develops and markets payment solutions, processes close to 14 billion payments each year, and provides industry-leading analysis and consulting services to financial institution customers and merchants. Through its family of brands, including MasterCard®, Maestro® and Cirrus®, MasterCard Worldwide serves consumers and businesses in more than 210 countries and territories. For more information go to

www.mastercardworldwide.com

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.

Copyright © 2007-2009 USA Technologies, Inc. All rights reserved



News

USA Technologies Announces Second Successive Record Quarter for Fiscal Year 2008

Revenue grows 72%, gross profit up 267%, margins double to 30% versus the Corresponding Prior Fiscal Year Quarter

MALVERN, PA - February 11, 2008 -- USA Technologies (NASDAQ: USAT) announced today record revenue for the fiscal second quarter ended December 31, 2007. Revenue for the three months totaled \$3,459,403, an increase of 72% compared with \$2,011,722 for the corresponding quarter in fiscal year 2007. It was the second successive record revenue quarter for fiscal year 2008.

"Fiscal second quarter revenue does not include approximately 3,500 e-Port® terminals shipped during the quarter ended December 31, 2007, which are expected to be recognized as revenue in the Company's third fiscal quarter," said George Jensen, Chairman and Chief Executive Officer, USA Technologies. "USA Technologies is expecting another record quarter ending March 31, 2008."

Gross profit for the three months ended December 31, 2007 was \$1,042,910 compared with \$284,189 for the three months ended December 31, 2006, up 267%, and margins for the quarter expanded to 30% vs. 15% for the same period a year ago. Recurring license and transaction fees rose to \$828,342 from \$357,408, an increase of 132%.

During the quarter ended December 31, 2007, the Company processed approximately 2.4 million transactions totaling over \$7.7 million as compared to approximately 737 thousand transactions totaling over \$4.7 million during the quarter ended December 31, 2006, an increase of 226% in transaction volume and 64% in dollars processed.

"Adoption of the ePort® by leading card companies and bottlers across the country is accelerating," said Mr. Jensen. "Our relationship with MasterCard Worldwide continues to progress. So too is our relationship with Coca-Cola Enterprises who is equipping its vending machines with our ePort® G6 to accept MasterCard® PayPass™ contactless payments, as well as traditional magnetic stripe credit card payments. Discover Network, a business unit of Discover Financial Services, is another new business relationship. These relationships should lead to higher recurring revenue generated for USAT from a larger installed base. It is also further validation that the ePort® is opening up new business growth opportunities in vending. With a strong balance sheet, growing revenue and on-going relationships with some of the most influential global companies, USA Technologies is on the path to continuous and accelerating growth."

Some recent highlights include:

- **MasterCard enters into new contract for over 4,000 ePort terminals.**
- **Growing Installed Base.** As of December 31, 2007, the Company's installed base reached over 25,000 cashless terminals consisting of approximately 19,000 ePort®, 1,300 Business Express®, and 5,500 eSuds® terminals.
- **Discover Network Inks Deal with USAT for 1,000 ePort terminals.**
- **Strongest Balance Sheet on record.** At December 31, 2007, \$23 million in cash and \$39 million in positive shareholder equity primarily as the result of the completion of a \$15 Million Private Placement in October 2007.
- **12th Energy Patent.** Granted for the VM2IQ®, a key technology in the EnergyMiser™ energy conservation product line that targets the nation's four million vending machines and \$46 billion vending industry.
- **Nine More Energy Utilities Join Rebate Program.** Twenty-nine national energy utilities now offering rebates ranging from \$15 to \$180 per unit for USA Technologies' EnergyMiser™ energy conservation products.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.

Copyright © 2007-2009 USA Technologies, Inc. All rights reserved



News

USA Technologies Ranked Number 26 in Deloitte's Fast 50 Program for Greater Philadelphia

Attributes Innovative, Value-Add Solutions to 221 Percent Revenue Growth

MALVERN, PA, October 31, 2008 USA Technologies (NASDAQ: USAT) -- USA Technologies Inc. has been named to Deloitte's prestigious Fast 50 Program for Greater Philadelphia. USA Technologies ranked 26 of the 50 fastest-growing technology, media, telecommunications and life sciences companies in the area by Deloitte LLP, one of the nation's leading professional services organizations. Rankings are based on the percentage revenue growth over five years from 2003-2007.

USA Technologies experienced a staggering 221 percent revenue growth for that four-year period. Chairman and CEO, George R. Jensen Jr., credits the company's expanding line of innovative products and solutions as well as delivering greater value and more options for customers. Mr. Jensen said, "We are seeing accelerating acceptance of our ePort® product line and services by the vending industry in addition to the continued popularity of our VendingMiser® which cuts vending machine energy costs by nearly half. Today, most major debit/credit card companies, bottlers and vending companies are adopting our cashless and energy management product lines. We are planning for significant ongoing growth over the next five years, and beyond."

USA Technologies' increase in revenues of 221 percent from 2003 to 2007 resulted in a 26th ranking in the Fast 50 for Greater Philadelphia.

The Greater Philadelphia Fast 50 program is presented by Deloitte and sponsored by Fragomen, Del Rey, Bernsen & Loewy, LLP, The Judge Group, and UK Trade & Investment.

To qualify for the Fast 50, companies must have had operating revenues of at least \$50,000 in 2003 and \$5,000,000 in 2007, be headquartered in North America, and be a company that owns proprietary technology or proprietary intellectual property that contributes to a significant portion of the company's operating revenues; or devotes a significant proportion of revenues to the research and development of technology. Using other companies' technology or intellectual property in a unique way does not qualify.

Winners of the regional Fast 50 programs in the United States and Canada are automatically entered in Deloitte's Fast 500 program, which ranks North America's top 500 fastest growing technology, media, telecommunications, and life sciences companies. For more information on Deloitte's Fast 50 or Fast 500 programs, visit www.fast500.com.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.



News

USA Technologies Expands into \$4B Office Coffee Industry

MALVERN, PA, February 18, 2009 - USA Technologies (NASDAQ: USAT) announced today that its ePort cashless payment technology and service is expanding into the multi-billion dollar office coffee industry.

The Company is launching the ePort® terminal and ePort Connect® Service in the office coffee market, targeting innovative self-serve coffee brewers that allow office workers to purchase freshly brewed coffee with credit and debit cards.

According to the National Coffee Association (NCA) 2008 National Coffee Drinking Trends survey, daily consumption of specialty coffee beverages jumped to an unprecedented high with 17 percent of the overall adult population, up from 14 percent in 2007.

"The demand for premium quality coffee in the workplace continues to grow, as does consumer preference to pay with their credit or debit card," said Mike Lawlor, Vice President Sales and Business Development, USA Technologies. "We believe it opens up a big opportunity for a self-serve coffee service where consumers can buy freshly brewed single-cup gourmet coffee and conveniently pay with their traditional magnetic stripe credit or debit card, or contactless card," he said.

Automatic Merchandiser Magazine, one of the coffee and vending industry's key trade magazines, currently estimates the office coffee industry in excess of \$4 billion.

"We are excited that our ePort products and services are helping our customers to give office consumers what they want, when they want it," said Mr. Lawlor. "Adapting ePort to a coffee brewer highlights the flexibility of our solutions to transform any kind of static appliance into an intelligent service that grows both business and customer satisfaction."

Go to www.usatech.com to see how USA Technologies is serving the office coffee business and other industries with its innovative ePort products and services.

Earlier this year two major global companies, [Merit Industries](#) and [AIR-serv®](#), began installing ePort in their locations in order to add greater consumer convenience by offering cashless payment, and in addition, to gain real time web-based access to operational data via the ePort Connect Service.

Merit Industries over the next three years intends to install ePort in thousands of its new Megatouch Touchscreen Entertainment Systems. Over the next two years, AIR-serv plans to install thousands of ePort cashless transaction terminals in its coin-operated tire inflation and vacuuming machines at gas stations and convenience stores.

The ePort Connect service has been adapted to POS terminals in the vending, kiosks, laundry, transportation, parking, toll booth, photo and video kiosks, hotel business centers and a variety of other commercial markets, in the US, Canada, and abroad.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to, ability to reduce operating costs in the future as anticipated, ability to maintain the gross margins in the future as anticipated, product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether pending patents will be granted or defensible, validity of intellectual property and patents, the ability to license patents, the ability to commercialize developmental products, as well as technological and/or other factors.

[Return](#) to News index.



News

USA Technologies' Leadership in Cashless Payment Technology Featured in Two Strategic Industry Media

MALVERN, PA, March 24, 2009 - USA Technologies (NASDAQ: USAT) announced today that its ePort Connect™ cashless payment technology is featured in two key trade media for its technology leadership.

Automatic Merchandiser Magazine features the ePort® in a special report on how smart technology is changing the office coffee industry, while RFID Journal reports on the 'flagship' ePort G8 and its wireless capability.

Automatic Merchandiser is considered the premier source for vending and office coffee service industry information. RFID Journal focuses solely on radio frequency identification and is recognized as the world's leading source of RFID news and insights.

To see how USA Technologies is serving an expanding range of industries with its innovative ePort cashless payment products and services, visit www.usatech.com.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to, ability to reduce operating costs in the future as anticipated, ability to maintain the gross margins in the future as anticipated, product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether pending patents will be granted or defensible, validity of intellectual property and patents, the ability to license patents, the ability to commercialize developmental products, as well as technological and/or other factors.

[Return](#) to News index.

Copyright © 2007-2009 USA Technologies, Inc. All rights reserved



News

USA Technologies, Inc. Announces Successful Conclusion of Rights Offering

Malvern, PA, August 7, 2009 -- USA Technologies, Inc. (NASDAQ: USAT) announced today the receipt of \$14,571,584 of gross proceeds at the closing of its rights offering. The net proceeds, after deduction of fees and expenses, including dealer-manager fees, are expected to be approximately \$13,258,707. The Company intends to use the net proceeds for general corporate purposes, to fund future growth and its Quick Start Program for customers.

In accordance with the terms of the Company's rights offering, the Company issued an aggregate of 7,285,792 shares for \$2.00 per share and 7,285,792 warrants. The warrants entitle the holder to purchase one share of common stock at the exercise price of \$2.20 per share of common stock commencing January 1, 2010 and through December 31, 2011. Effective today, the warrants commenced trading on the Nasdaq Global Market under the symbol USATW.

"We are pleased that USAT has been able to strengthen its equity capital base through the support of our shareholders and the investors who subscribed for shares through the rights offering. We are well positioned to grow, including through our Quick Start Program" said George R. Jensen, Jr., USAT's Chief Executive Officer. The Quick Start Program allows USA Technologies' customers to rapidly deploy the ePort cashless payment solution in the vending, kiosk, laundry and other unattended retail industries without tapping into capital dollars. Under the program, customers pay a monthly fee which combines the cost of the ePort device and the ePort Connect® suite of turnkey, PCI-compliant card processing, communications, reporting and data services.

William Blair & Company and Maxim Group LLC acted as the dealer-managers for the rights offering.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to, product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether pending patents will be granted or defensible, validity of intellectual property and patents, the ability to license patents, the ability to commercialize developmental products, as well as technological and/or other factors.

Return to News index.



News

USA Technologies, Inc. Issues Open Letter to Shareholders

Malvern, PA, November 20, 2009 -- USA Technologies, Inc. (Nasdaq: USAT) (the "Company") today announced it has issued an open letter to its shareholders urging them to reject any proxy solicitation and not sign any blue proxy card they may receive from dissident shareholders Bradley Tirpak and Craig Thomas (the "Dissidents"). On November 19, 2009, the Dissidents filed a preliminary proxy statement with the Securities and Exchange Commission (the "SEC") announcing their plans to launch a proxy contest seeking to elect three directors, including Mr. Tirpak, to the Board of Directors of the Company. The Company intends to fully respond in future correspondence to the Dissidents' spurious claims. In its letter to shareholders, the Company stated that it believes Mr. Tirpak and the two additional director nominees, who together on the record date of the annual meeting only own 10,000 shares, or 0.04%, of common stock of the Company, will not act in the best interests of the Company's shareholders. The complete text of the letter to shareholders follows:

Dear Fellow Shareholders:

By now, you should have received the proxy statement of USA Technologies, Inc. (the "Company") for our December 15, 2009 Annual Meeting (the "Annual Meeting"), along with a WHITE proxy card or voting instruction card. In addition, you may already have been contacted by Bradley Tirpak, a dissident shareholder, regarding our Annual Meeting, or may soon receive, proxy materials and a blue proxy card from Mr. Tirpak and Craig Thomas (the SAVE committee) (the "Dissidents"). Mr. Tirpak, who owns only 10,000 shares, or 0.04%, of our common stock as of the record date of the Annual Meeting, has chosen to launch a costly and disruptive proxy contest to try to elect three candidates (including himself) to our Board in lieu of three of the Company's independent Director nominees. We urge you to reject the Dissidents' solicitation and instead vote the Company's WHITE proxy card.

The Company's Board nominees have served you well in the past and especially during the current challenging economic times. Recently, the Company added two new highly qualified independent directors to the Board. Our nominees and the current Board have, and always will, put enhancement of shareholder value first. Whether it is developing a long-term strategy to continue to be the leading supplier of unattended automated payment systems in the vending market or developing enhanced energy management products, your Board and management remain focused on enhancing long-term shareholder value.

The Company's Board of Directors is independent, eminently qualified, diverse and open-minded, and its interests are aligned with those of all the Company's shareholders. Your Board, which is comprised of eight directors, a majority of whom are independent, is actively engaged in the strategy of the Company and is committed to building value for all shareholders.

The Company's management, as overseen by the current Board, has helped the Company reach a very unique and positive position.

- The Company's cash at the end of the last quarter ended September 30, 2009 was \$16.7 million;
- The Company is virtually debt free;
- The Company has four new products that provide greater value and cost less for our customers;
- There is a broad base of over 600 customers on the ePort Connect Service, including some of the world's leading brands;
- The Company is the leader in our market with approximately 57,000 terminals connected to our network; and
- The Company is processing 7.4 million transactions per quarter, an increase of 57% versus a year ago.

The Company is focused on increasing revenue and gross profits, while reducing SG&A, (down 20% versus a year ago from the recent quarter completed) with a clear plan to reach and move beyond profitability. Recently, the Company successfully negotiated a contract with one of its largest and most important suppliers. This will result in immediate and significant new gross profits. For example, if this were in place for the quarter ended September 30, 2009, gross profits would have been approximately 34% rather than 27%. The marketplace understands the progress the Company has made over the last year as the stock price of USAT one year ago today was \$1.50 versus yesterday's closing price of \$1.70, up 13.3%.

We intend to fully respond in future correspondence to the Dissidents' spurious claims. However, you should know that Mr. Tirpak is a former hedge fund manager whose interests may not be aligned with yours. As stated previously, he owns only 10,000 shares of common stock as of the record date, and has never served as a director on a public company's board. The Dissidents' other two director nominees own no shares of the Company's common stock. Nowhere in the Dissidents' preliminary proxy materials do they present any plan or strategies for maximizing shareholder value. Unlike Mr. Tirpak and the Dissidents' other two nominees, your Board

is committed and has a concrete plan for creating shareholder value as reflected in our increased share price.

Rather than engage in substantive discussions about ways to enhance shareholder value, the Dissidents filed public documents distorting the facts regarding your Board and its actions, and have made other confusing accusations. For example, the Dissidents' filing contains grossly misleading information about the compensation of management. Over the last five years, the average cash compensation of the three officers (CEO, President and CFO) was approximately \$276,000 per year, and the average stock award was approximately 53,000 shares of common stock per year, versus the misleading information contained in the Dissidents' filing.


The Dissidents are not looking for the three most qualified candidates to be added to your Board, but are solely interested in having their own three candidates elected, regardless of what is in the best interests of the Company. We can only conclude that the Dissidents will not serve the purpose of creating additional value for all shareholders. Additionally, Mr. Tirpak was one of two defendants in a class action alleging securities fraud that was settled through the payment of \$2,250,000 by the defendants. Given Mr. Tirpak's lack of public board experience and his past involvement in securities fraud litigation, we do not believe that he is qualified to serve on our Board.

Rest assured, we will not be discouraged by the current economy or by the Dissidents' distractions. Your best interests are our foremost goal. We appreciate your continued confidence and support.

More than any other meeting in our Company's history, this year's Annual Meeting is critical and we urge all shareholders to disregard any materials they may receive from Mr. Tirpak or the Dissidents, and to vote only the WHITE proxy card or voting instruction form already sent to you by the Company.

I am also pleased to let you know that the Company has retained MacKenzie Partners, Inc. as our proxy solicitors in connection with the Annual Meeting. Please feel free to contact them with any questions you may have at (212) 929-5500 (call collect), toll-free at (800) 322-2885 or by e-mail to USAT@mackenziepartners.com.

Sincerely,



George R. Jensen Jr.
Chief Executive Officer

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.



News

USA Technologies Sends Letter to Shareholders

Highlights Company's Strategic and Financial Plan, Recent Positive Results, Timetable for Profitability and Inaccurate Assertions Made by Dissidents

Malvern, PA, November 24, 2009 -- USA Technologies, Inc. (NASDAQ: USAT) (the "Company") today issued the following letter to the Company's shareholders urging them to reject any proxy solicitation and not to sign any blue proxy cards they may receive from dissident shareholders Bradley Tirpak and Craig Thomas (the "Dissidents"). On November 19, 2009 the Dissidents filed a preliminary proxy statement with the Securities and Exchange Commission announcing their plans to launch a proxy contest seeking to elect three directors, including Mr. Tirpak, to the Board of Directors of the Company. The complete text of the Company's letter to shareholders follows:

Dear Fellow Shareholders:

As set forth in our November 20, 2009 letter, Bradley Tirpak and Craig Thomas (the "Dissidents") intend to engage in a costly and disruptive proxy contest in an attempt to elect three less qualified candidates to our Board of Directors in lieu of the three highly qualified independent Director nominees of USA Technologies, Inc. ("USAT" or the "Company") at our upcoming December 15, 2009 annual meeting of USAT shareholders (the "Annual Meeting"). We urge you to reject the Dissidents' solicitation and instead vote the Company's WHITE proxy card.

I believe that the Dissidents have taken their actions in order to elect their candidates despite what is in the best interests of the Company and its shareholders, and regardless of who are the most qualified candidates.

In this regard, I would like to provide you with the following background:

- Prior to Wednesday, October 14, 2009, we believed that the Dissidents had supported our progress as a company and they never indicated that they intended to engage in a disruptive proxy contest.
- On Wednesday, October 14, 2009, Mr. Thomas called me and indicated that he thought USAT should bring in three new independent directors. I indicated to Mr. Thomas that we were "ahead of the curve" in this regard and had already identified several excellent candidates. I also stated that I thought it was appropriate to only bring in two rather than three new directors at this time. Mr. Thomas did not object to this. I also encouraged him send to me information on any persons who he had in mind as director candidates.
- On Monday, October 19, 2009, USAT appointed Steve Barnhart and Jack Price as new independent directors of the Company. From 2007 until January 2009, Mr. Barnhart was the President and CEO of Orbitz Worldwide, Inc., a publicly traded, online travel business. Prior thereto and since 2003, Mr. Barnhart held various positions with Orbitz, including Chief Financial Officer. From 1990 to 2003, Mr. Barnhart held various positions with PepsiCo, Inc. From 2007 through March 2009, Mr. Price was President and CEO of NovaRay Medical, Inc., a medical imaging systems business. From 2003 to 2006, Mr. Price was the President and CEO of VSM MedTech Ltd. From 1996 through 2003, Mr. Price was the President and Division Chief Executive Officer of Philips Medical Systems, North America. Each of Mr. Barnhart and Mr. Price has on point knowledge and experience with our business model.
- Following our disclosure of these appointments, each of Messrs. Tirpak and Thomas indicated to me that they were pleased with these new directors.
- On Monday, October 26, 2009, nearly two weeks after I invited Mr. Thomas to identify director candidates, Mr. Tirpak called me and indicated that he, Alan Gotcher, and Peter Michel wanted to serve on the Board. I indicated to Mr. Tirpak that USAT had recently finalized its slate of Directors for the upcoming Annual Meeting, and that the proxy statement was being printed. I asked Mr. Tirpak to follow up with me in writing and that I would forward the information to our independent directors for future consideration.
- On Friday, October 30, 2009, after our proxy statement was mailed, Mr. Tirpak sent to the Company an official notice pursuant to our bylaws that he intended to nominate as directors at the Annual Meeting himself, Alan Gotcher and Peter Michel. Our counsel also received a call from his counsel indicating that he intended to proceed with a proxy contest if this matter could not be resolved.
- Following receipt of the notice, we attempted to resolve this matter amicably with the Dissidents.
- On November 16, 2009, I informed Mr. Thomas to reconsider filing a proxy statement, and emphasized that a proxy contest would distract management from the vital tasks that must be accomplished in order to build the business, and could result in

damage to our valuable customer relationships. In addition, I indicated to the Dissidents that such action would result in substantial costs and expenses to be incurred by the Dissidents as well as by the Company.

- The Dissidents filed a preliminary proxy statement with the SEC on November 19, 2009 (the "Dissidents' Preliminary Proxy Statement") which contains confusing and inaccurate information. It also omits important information. We believe that the backgrounds and business experience of the Dissidents' three nominees, as described in the Dissidents' Preliminary Proxy Statement, do not meet a threshold level we believe is required for them to serve on our Board of Directors.
- On Monday, November 23, 2009 the Dissidents released yet another communication with confusing information, particularly regarding the compensation of management. As stated in our prior shareholder letter, over the last five years, the average cash compensation of the three officers (CEO, President and CFO) was approximately \$276,000 per year, and the average stock award was approximately 53,000 shares of common stock per year.

YOUR BOARD OF DIRECTORS STRONGLY RECOMMENDS THAT YOU VOTE AGAINST THE DISSIDENTS' BOARD NOMINEES

The reasons for opposing the Dissidents' nominees are many. Here are a critical few:

- I. We are operating pursuant to a strategic plan to increase shareholder value (the "Plan").
- II. We are experiencing improved operating results and anticipate achieving profitability despite poor economic conditions.
- III. We have an experienced management team with the skills needed to successfully execute the Plan.
- IV. Based on the information in the Dissidents' Preliminary Proxy Statement, it appears that the Dissidents lack the appropriate skills.
- V. The Dissidents have not presented a plan for the Company; the lack of an appropriate plan could destroy shareholder value.

I. USAT HAS A STRATEGIC PLAN TO INCREASE SHAREHOLDER VALUE

The Strategic Plan

The number one priority of our nominees and the current Board is enhancement of shareholder value. To achieve that goal, current management has devised Plan, which is already in place and is yielding positive operational and financial results. The Plan includes strategic initiatives that seek to:

- Generate positive net income by quarter ending December 31, 2010.
- Focus on increasing revenues, while reducing costs.
- Continue to develop innovative products and services.

Elements Of The Plan

The Plan devised by the Company is clearly focused on generating positive net income by quarter ending December 31, 2010, and has the following elements:

1. Leveraging our Existing Customers/Partners: USAT has a solid base of key customers across multiple markets (vending, kiosk, etc.) that have deployed our solutions. We have worked to build these relationships, drive future deployments, and develop customized network interfaces. Our customers have seen the benefits of our products and services first-hand and represent the largest opportunity to scale our solution. These customers are a key component of our plan to drive sales.
2. Focusing on Diversifying our Customer Portfolio: USAT is driving additional growth via expansion in 'non-vending' segments of the small ticket unattended cashless transaction market (e.g., kiosk, laundry, car wash).
3. Expanding Distribution in Core Markets: USAT has worked to develop a strong market presence in the vending and energy markets. Increasing sales and distribution to our largest customers is important to the long-term success of the Company, but we are intently focused on building a broader base of customers within these core markets to drive long term revenue and value. Our efforts in this regard have led to 75 new customers in the last quarter.
4. Improving Scalability: USAT has invested so that our products and services (e.g., Manufacturing, Network Services, Customer Services, Technical Support, Deployment) can handle our ever-increasing customer base and divergent markets, and operate efficiently and effectively across broad applications.
5. Providing Innovative Products and Services: Maintaining our market leadership is vital. We plan to continually innovate in order to meet our customers' existing and future needs and to effectively differentiate and distance ourselves from the competition.
6. Leveraging Intellectual Property: USAT has been granted 71 patents for its work in unattended payment processing, networking and energy management devices. In addition, we own numerous trademarks, copyrights, design rights and trade secrets. USAT will continue to leverage this intellectual property to add value for customers, attain an increased share of the market, address competition and generate licensing revenues.
7. Improving Profit Margins: As USAT works to increase overall sales and revenue, we expect an increase in gross profits through reducing COGS and through favorable supply agreements with vendors.
8. Increasing Our Revenues: For the ePort product line, we are continuing to leverage our growing and existing customer base of over 600 bottlers/operators as of September 30, 2009. Specifically, leverage results of summarized operational data from the over 7.4 million cashless and 29.0 million cash transactions fed into the network on a quarterly basis from installed base of terminals. By analyzing this data, we can better guide our customers on how best to deploy cashless technology, thus fostering maximum ROI

for our customers and future, repeat and larger quantity orders as they roll out to a larger population of their vending base.

In addition, through our Quick Start Program, we make it easier for our customers to take advantage of our cashless technology, by rolling the upfront entry/capital cost into a customer-friendly monthly payment plan. This program allows our customers to more readily deploy cashless technology in these challenging economic times, when access to capital is difficult. It also allows our customers to realize immediate and positive cashflows from the deployment of cashless technology. Since its re-introduction into the marketplace after the successful completion of the Company's rights offering earlier this year, Quick Start sales have represented approximately 53% of ePort equipment sales to date.

9. **Reducing Our Cost of Sales:** Throughout the Company's history, it has actively sought, through its significant investment in research and development, to reduce the cost of its products and services. This is most recently evidenced by the introduction of two, new lower retail priced ePort terminals, namely the \$199 Edge and the \$329 G8. Just one year ago retail pricing for our G7 was \$425.

In addition, the Company recently negotiated an amendment to a contract with one of its largest and most important suppliers. The amended contract should have an immediate and significant impact on gross margins. Further, the Company is actively engaged in activities it hopes will ultimately culminate in the reduction of costs associated with transaction processing. If successful, this too, will have an immediate, significant and positive impact on gross margins. It should also have the effect of reducing the cash used by the Company in its operating activities.

10. **Reducing Our Selling, General and Administrative (SG&A) Expenses:** During fiscal years 2008 and 2009, the Company initiated efforts to reduce its SG&A expenses. In order to attempt to improve our operating results, we took appropriate actions during the third and fourth quarters of fiscal year 2008 and, again, during the third quarter of fiscal year 2009 to reduce our cash-based SG&A expenses. These actions consisted of staff reductions and related costs as well as and reductions in our controllable costs. Prior to these reductions, our cash-based SG&A expenses were approximately \$4,753,000 for the quarter ended December 31, 2007. Our cash-based SG&A expenses for the most recently completed quarter, ended September 30, 2009, were approximately \$3,432,000, a reduction of quarterly SG&A expenses of approximately \$1,321,000 or 28%.

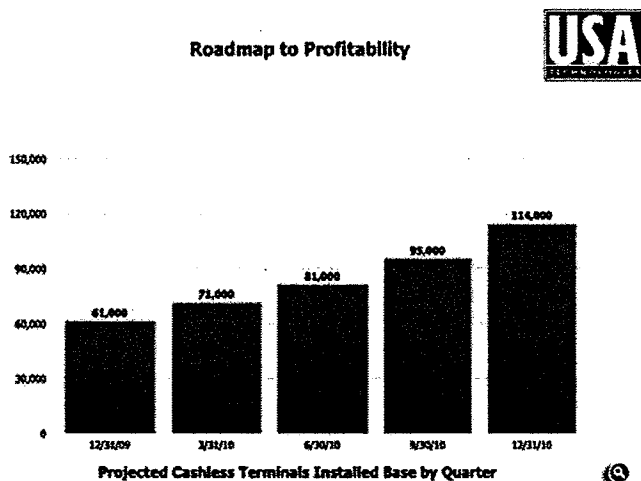
The Company plans to further reduce SG&A expenses in future quarters.

Inherent in the Plan is a firm focus on the customer, a commitment to providing superior service, and a dedication to adding incremental value to our customers' business each day.

II. PATH TO PROFITABILITY

At a time when many businesses are faltering due to poor economic conditions, USAT has continued to produce steadily improving results. To date, the execution of the Plan has resulted in improving quarterly results, consistent reduction in losses, creation of a broad customer base, and development of four new promising products.

We expect our EBITDA loss to continue to decrease as the Company adds additional connections to its network. The planned connections to our network are shown on the chart below entitled "Roadmap to Profitability and Beyond". The increased base of connections will help drive quarter over quarter increases in our recurring revenues from license and transaction fees. The increasing recurring revenue, coupled with the revenue from equipment sales, we expect will lead to the Company achieving positive net income for the quarter ended December 31, 2010.



Management anticipates hitting the following milestones as our installed base increases per the illustration above:

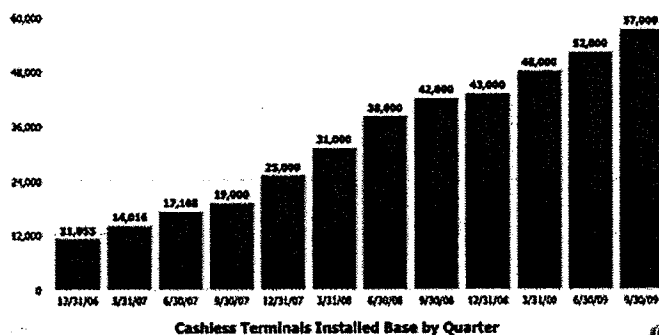
- Quarter ended March 31, 2010 - Connections to the network are anticipated to be 71,000 by the end of the quarter.
- Quarter ended June 30, 2010 - Connections to the network are anticipated to be 81,000 by the end of the quarter

- Quarter ended September 30, 2010 - Connections to the network are anticipated to be 95,000 by the end of the quarter.
- Quarter ended December 31, 2010 - Connections to the network are anticipated to be 114,000 by the end of the quarter with reported positive net income. Recent achievements that may be credited to the successful execution of the Plan include:
- Maintenance of our position as a market leader with approximately 57,000 devices connected to our network;
- Launched the innovative ePort G8™ and ePort EDGE™, both lower-cost and more efficient cashless payment products
- Maintaining a diversified and global base of over 600 customers as of September 30, 2009 with the strength to increase market adoption, and the addition of 75 new ePort customers since June 30, 2009;
- Completed a successful rights offering, netting more than \$13 million earlier this year in the worst economic market in decades;
- Increased the installed base of devices connected to the USALive® Network by 36% to 57,000 in the first quarter of fiscal 2010 compared to the first quarter of fiscal 2009. This followed a 37% year-over-year increase in installed base in fiscal 2009 compared with fiscal 2008.

USAT Results to Date



USA Technologies has nearly 600 distinct customers (e.g. bottlers, operators) with 57,000 terminals on the ePort Connect Service.

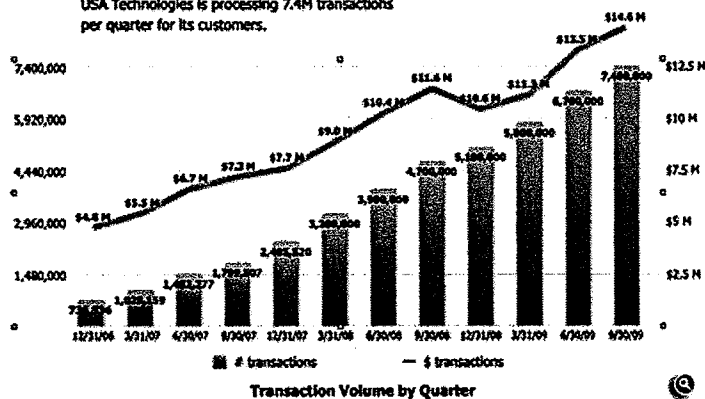


- Increased the number of transactions processed, which in the first quarter of fiscal 2010 increased to 7.4 million, a 57% year-over-year quarterly increase; this was on top of a 97% year-over-year increase in fiscal year 2009 versus fiscal year 2008 when transactions processed reached 22.3 million.

USAT Results to Date



USA Technologies is processing 7.4M transactions per quarter for its customers.



- Increased the dollar value of transactions processed for the first quarter of fiscal year 2010 by 26% to \$14.6 million over first quarter of fiscal year 2009.
- Improved gross margins in the first quarter of fiscal year 2010 to 32% from 30% a year ago. This was in addition to improvements in fiscal year 2009 when gross margins improved to 24% from 21% in fiscal year 2008.
- Reduced our SG&A expenses in the first quarter of fiscal year 2010 by 20% from a year ago. This was in addition to a 19% reduction in SG&A expenses in fiscal year 2009 compared with fiscal year 2008.
- Drove our revenues in the first quarter of fiscal year 2010 to \$3.8 million, the highest level in five quarters. Fiscal fourth quarter 2009 revenues of \$3.6 million were the strongest quarterly revenue for the fiscal 2009 year.
- Substantially reduced operating expenses in fiscal year 2009 by approximately 28%, or \$16.8 million, compared with \$20.6 million in fiscal year 2008. The Company further reduced operating expenses by 19% to \$4 million for the first quarter of fiscal year 2010, compared to \$4.9 million in the first quarter of fiscal year 2009.

- Recently negotiated an amendment to a contract with one of our largest and most important suppliers, which is expected to result in immediate and significant new gross profits. If this contract had been in place for the quarter ended September 30, 2009, gross profits would have been approximately 34% rather than 27%.

III. THE COMPANY HAS AN EXPERIENCED BOARD AND MANAGEMENT TEAM WITH THE REQUIRED SKILL SET TO SUCCESSFULLY EXECUTE THE PLAN

Qualified Board and Management

The Company is positioned to continue executing the Plan with the help of:

- A management team with industry expertise, market knowledge, ability to forge unique customer relationships and technological expertise to create and roll out products; and
- An independent and highly qualified Board of Directors with industry and management experience to complement and oversee the Company's strategic and innovative objectives; and
- Our various Directors who possess specific industry expertise and an in-depth knowledge of our business model; and
- Our Directors who possess extensive operating experience that includes a track record of success.

Appropriately-Sized Team of Skilled Employees

USAT is a highly complex enterprise, and is correctly sized to serve its existing customer base, achieve profitability, and position the Company for rapid growth as adoption of its technology accelerates. Your Board and management team strongly believe that resources have been mobilized in a thoughtful manner to execute the Plan.

There are many 'moving parts' associated with the delivery of the Company's products and services on a daily basis, such as:

- **PCI and SOX Compliance:** The Company is subject to rigorous compliance standards promulgated by the credit card industry. This includes the Payment Card Industry (PCI) and Data Security Standard (DSS). In addition, as a publicly traded company, USAT must also comply with the requirements of the federal securities laws and the Sarbanes-Oxley Act of 2002. The PCI standards affect many areas of the enterprise, from basic business process, to separation of duties, to data encryption. Achieving these PCI standards is also demanded by our customers.
- **Customer Care:** We provide comprehensive customer care from technical support, to customers in the field, to handling of consumer calls on behalf of our customers. Customer Support is available 24/7.
- **Consultative Selling:** Our direct sales and marketing team of eight individuals is required to address our customers at the financial and operational level. This requires our team to possess a firm understanding of technology and network/financial services, have a firm understanding of the manner in which our customers' businesses operate, and how cashless capability will impact results.
- **Delivery of Complex Financial and Network Services:** The ePort Connect Service is the most comprehensive service of its kind. The service is a highly complex, "high touch" service which allows customers to rapidly mobilize cashless capability in unattended, small ticket markets.
- **Innovation:** The Company has invested heavily, and continues to invest, in innovation to stimulate adoption by providing additional value/ROI to customers through the continuous improvement of its products and services. This is essential to both open up the markets we have targeted, and maintain the Company's position as dominant share leader as the market expands.
- **Global Development and Manufacturing:** The Company has leveraged offshore development and manufacturing in order to accelerate the time to market, reduce development costs, and drive down cost of goods to our customers.

The Dissidents' suggestion in the Dissidents' Preliminary Proxy Statement that the Company has not employed the resources of the Company prudently in this regard is ill-informed and naïve. Their statements reveal a lack of understanding of the complexities of our technology and services, and the markets we operate in.

The Company strongly believes that it has sized itself correctly to execute the Plan, and achieve profitability. During this period, it is imperative that the Company maintain the necessary infrastructure to serve its existing customers well, continue to innovate to maintain its leadership position, and be prepared for the expected upward spiral of rapid market adoption. Management, the Board and the employees are clearly focused on and dedicated to our mission of creating shareholder value and have the requisite skills and abilities.

IV. THE DISSIDENTS LACK THE APPROPRIATE SKILL SET FOR OUR BUSINESS

High Standards Set for Nominees to your Board

Your Board's nominating committee comprehensively screens all potential candidates before making recommendations to you, thus setting a high standard for anyone wishing to serve on the Board. Among the criteria used by your Board's nominating committee to judge nominees to the Board are:

- Depth of experience;
- Relevance of such experience to the Company's business;
- Record of prior success; and
- Ability to govern in a manner that does not disrupt the Company's business and operations.

Having examined the backgrounds of all three of the Dissidents' nominees, we have concluded that none of them meets the high standards that have been set for Board nominees.

Bradley Tirpak Settled Securities Fraud Action and Has No Public Company Leadership

Mr. Tirpak is a former hedge fund manager. Mr. Tirpak was one of two defendants in a class action lawsuit alleging securities fraud that was settled through the payment of \$2,250,000 by the defendants. See: "http://www.usatech.com/dl/class_action_litigation.pdf" for certain court documents relating to the class action. Several of the hedge firms he worked for in the past have strategies of high-portfolio turnovers, with no apparent interest in creating long-term value. In addition, we are concerned that, in the Dissidents' Preliminary Proxy Statement, Mr. Tirpak has not provided any background information for himself for the years 1997, 1998 and 1999 - the very years during which the class action litigation was pending against him.

Alan Gotcher Was Forced to Resign From Altair Technologies (ALTI), Which Has Posted Approximately \$77 Million in Losses over the Last Three Years

Until February 2008, Mr. Gotcher was President and CEO of Altair Nanotechnologies, Inc. During his stewardship, Altair's net losses steadily increased. On February 27, 2008, he agreed to resign as President and CEO of Altair. According to a press account, the company's board "determined that the level of progress made at this point in the development timeline of the company did not keep pace with the expectations that were set."

During the 2007 calendar year, Altair lost \$31,470,621 and had revenues of only \$9,108,483. At the time of his resignation, Gotcher directly owned only 164,716 shares of Altair's common stock, of which 84,502,576 shares were issued and outstanding, representing only 0.19% of the issued and outstanding shares. Further, according to publicly filed documents of Altair, for the year 2007, when Altair lost over \$31 million, Gotcher received a bonus of \$776,318 (\$428,600 of which was cash and \$347,718 of which was stock), of which \$459,451 was discretionary.

Peter Michel Presides Over iSECUREtrac Corp (ISEC.OB), an OTC BB Company With a \$4.7 Million Market Cap and \$22.4 Million In Negative Shareholder Equity

Since August 4, 2006, Mr. Peter Michel has been the CEO and President of iSECUREtrac Corp., a bulletin board company. On January 3, 2006, public records indicate that the price of the stock was \$1.85. As of November 20, 2009, the stock was trading at \$0.43. During the calendar year ended December 31, 2008, the Company had a loss of \$5,825,000, and had revenues of only \$9,702,000. Mr. Michel currently directly owns only 80,630 shares of iSECUREtrac's common stock, of which 10,816,392 shares are issued and outstanding, representing only 0.69% of the issued and outstanding shares.

From May 23, 2005 to July 8, 2005, Mr. Michel served as the President and CEO of General Fiber Communications. On July 8, 2005, that company filed for Chapter 7 bankruptcy protection.

Your Board believes that an alleged securities law violator, a corporate executive of a bankrupt company and a corporate executive who was ousted from his job would not serve our shareholders well as directors of USAT.

V. THE DISSIDENTS' LACK OF AN APPROPRIATE PLAN COULD DESTROY SHAREHOLDER VALUE

As mentioned above, a strategic business plan is required for a business to thrive. It is both an essential and indispensable ingredient for increasing shareholder value. The failure of the Dissidents to articulate any strategic plan, let alone an appropriate one, is troubling since poor economic conditions do not provide second chances for success. For a seamless continuation of your Company's improving performance, any delay in proposing and implementing an effective and workable strategic business and financial plan has the potential to slow down the pace of, or even reverse, the Company's recent operational and financial gains.

YOUR INACTION OR FAILURE TO VOTE THE WHITE PROXY CARD COULD PLAY INTO THE DISSIDENTS' HANDS

As explained in detail in our proxy materials, the directors of your Board are elected by a plurality of votes. In other words, the nominees with the most votes will be elected. Therefore, we urge you to take action and send in the Company's enclosed WHITE proxy card and disregard the Dissidents' blue proxy card. Your inaction may indirectly benefit the Dissidents who have apparently already been contacting some of our shareholders.

YOUR VOTE IS IMPORTANT - RE-ELECT YOUR DIRECTORS BY VOTING THE WHITE PROXY CARD

Your vote is important, no matter how many or how few shares you own. To vote your shares, please sign, date and return the enclosed WHITE proxy card by mailing it in the enclosed preaddressed, stamped envelope. You may also vote by phone or Internet by following the instruction on the enclosed proxy card.

If you have any questions or need any assistance voting your shares, please contact MacKenzie Partners, Inc., which is assisting the Company in this matter, toll-free at (800) 322-2885, (212) 929-5500 or USAT@mackenziepartners.com.

USAT has retained MacKenzie Partners, Inc. to assist in the solicitation of proxies and as an advisor to USAT for its proxy solicitation for fees not to exceed \$75,000, plus out-of-pocket expenses. MacKenzie Partners may solicit proxies by mail, advertisement, telephone, via the Internet or in person. MacKenzie Partners will employ approximately 30 people to solicit USAT's shareholders. In addition, and as stated in USAT's proxy statement, directors, officers and other employees of USAT may solicit proxies in connection with the special meeting, none of whom will receive additional compensation for such solicitations.

We will continue to keep you informed on this matter. Thank you for your continued support and confidence.

Sincerely,



George R. Jensen Jr.
Chief Executive Officer

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.



News

USA Technologies Sends Letter to Shareholders

USA TECHNOLOGIES URGES SHAREHOLDERS TO VOTE THE WHITE PROXY CARD FOR RE-ELECTION OF EXPERIENCED DIRECTORS WHO ARE DELIVERING SHAREHOLDER VALUE

Company Achieving Accelerated ePort® Customer Growth and Record Cashless Vending Transactions

On Track to Meet Benchmarks and Timetable for Profitability and Responds to Dissidents' Misleading Assertions

December 1, 2009, Malvern, PA: USA Technologies, Inc. (NASDAQ: USAT) (the "Company") today issued the following letter to shareholders urging its shareholders to vote the WHITE proxy card for the re-election of experienced directors at the December 15, 2009 Annual Meeting and to disregard any blue proxy card sent to them by the dissident shareholders, Bradley Tirpak and Craig Thomas. The complete text of the Company's letter to shareholders follows.

Dear Fellow Shareholders:

I am pleased to report to you that our Company has increased its customer base to approximately 700 customers, servicing approximately 60,000 connections. We attribute much of the increase to the successful execution of our strategic plan by management, the Board, and our employees.

The rapidly growing number of vending machine and point-of-sale (POS) operators installing ePort®, supported by recent record numbers of consumer transactions, we believe puts USAT on course to achieve positive net income by the quarter ended December 31, 2010. As previously stated, we anticipate growing the ePort® installed base to approximately 114,000 connections by the end of December 2010.

The Company is focused on increasing customer connections to the network to drive quarter over quarter increases in recurring revenues from license and transaction fees, coupled with revenue from equipment sales, and by making further planned cost savings in the Company. We increased the installed base of devices connected to the USALive® Network by 36% to 57,000 in the first quarter of fiscal 2010 compared to the first quarter of fiscal 2009. This followed a 37% year-over-year increase in installed base in fiscal 2009 compared with fiscal 2008. In addition, we increased the number of transactions processed, which in the first quarter of fiscal 2010 increased to 7.4 million, a 57% year-over-year quarterly increase; this is following a 97% year-over-year increase in fiscal year 2009 versus fiscal year 2008 when transactions processed reached 22.3 million. Finally, we increased the dollar value of transactions processed for the first quarter of fiscal year 2010 by 26% to \$14.6 million over first quarter of fiscal year 2009.

USAT is experiencing success as a result of the successful implementation of the strategic plan, reporting improving quarterly results, the development of new products and services that are responding to customer needs and market trends, and a broader customer base.

Consumers increasingly are demanding the ability to use credit and debit cards at vending machines and kiosks, and operators, small and large, are responding by installing cashless payment technology in their machines in greater numbers, and faster than before.

USAT is facilitating further customer adoption by its development of innovative and lower-cost products, such as the ePort EDGETM, the cashless technology priced under \$200, and ePort SDKTM, the software version of the ePort® hardware, especially designed for the kiosk market.

The strategic plan we are executing is evidence of our commitment to grow shareholder value. We have a skilled, highly professional and experienced team in place to accomplish this.

It is unfortunate that dissident shareholders Bradley Tirpak and Craig Thomas (the "Dissidents") launched a disruptive and costly proxy contest for the Company, seeking to elect three opposition and less qualified candidates to the USAT board. Their actions are disruptive to the execution of our strategic plan and erode shareholder value.

The Dissidents Suggest That They Have a Better Plan To Generate Value for Shareholders - They Do Not.

The Dissidents have no credible business plan for USAT's continued growth, except for a poor and ill-informed set of "bullet points",

including a reference to the need to renegotiate contracts, one of which we have already renegotiated for the Company's benefit. As we recently announced, the Company successfully negotiated an amended contract with one of its largest and important suppliers which we anticipate will result in immediate and significant increase in gross profits. If this amendment had been in place for the quarter ended September 30, 2009, gross profits would have been approximately 34% rather than 27%.

The Dissidents' self serving mission and disingenuous statements and actions have the potential to slow down the pace of, or reverse, the Company's recent operational and financial gains.

We have a seamless plan in place for improving USAT's performance, based on effective and workable business and financial strategies. The management team and employees, guided by our Board, are committed to achieving our plan.

We believe that the Dissidents continue to mislead our shareholders on their basic intent, the background of their candidates, and with the data which they choose to state their case.

The Dissidents Claim That They are Acting on Behalf of Shareholders - They Are Not.

We believe the move by the Dissidents to attempt to elect three directors is blatant opportunism as USAT begins to post record business performance and approaches profitability after years of building up the business. Simply put, it is our view that they are seeking employment and additional equity in USAT, and are using a disruptive and costly proxy contest to achieve their goals.

The Dissidents State That They Do Not Seek a Change in Control. We Believe That This Is Simply Not True.

Their repeated statements that they are not interested in a change in control of the Company are contradicted by the stated goals in a document selectively circulated by the Dissidents to certain of our shareholders but not filed with the Securities and Exchange Commission. In this document, among other things, it is stated that their candidates, including Mr. Tirpak, are prepared to step into USAT management roles and run our Company. This document sheds light on the true intentions of the Dissidents, and also may explain why shareholders with a relatively small stake in the Company such as the Dissidents would spend an estimated \$350,000 on a proxy fight.

Mr. Tirpak has Attempted to Minimize his Involvement as a Defendant in a Securities Class Action Lawsuit which was Settled for \$2,250,000.

Section 29(b) of the class action complaint filed against Mr. Tirpak states that *"Tirpak, by virtue of his position as an employee of CS FBC's equity trading department, knew of CS FBC's short positions in Data Dimensions and Viasoft stock. Notwithstanding such knowledge, as well as the fact that he was not a research analyst, Tirpak authored and disseminated the materially false and misleading Trading Notes. Tirpak lacked a reasonable basis for the sell recommendation and target prices contained in the Trading Notes but prepared and disseminated the false and misleading Trading Notes anyway because he knew it would cause the price of Data Dimensions and Viasoft stock to drop and allow CS FBC to profit on its short positions."*

The press release of Credit Suisse First Boston dated June 23, 1997 states: *"The Trading Notes were not a product of the Firm's standard operating procedures, and should not have been circulated in their original form Credit Suisse First Boston regrets any confusion that may have been caused by the circulation of the original Trading Notes."*

The Opinion of Judge Koeltl, refusing to dismiss the complaint against Mr. Tirpak, states on page 24 that: "Additional facts pleaded with particularity by the plaintiffs similarly give rise to a strong inference of scienter. The plaintiffs allege that defendant Tirpak, who wrote the original Trading Notes, worked in the equity trading department and not in the firm's research department."

Complete copies of these documents are available at http://www.usatech.com/dl/class_action_litigation.pdf.

Alan Gotcher was Forced to Resign From Altair Nanotechnologies (ALTI), Which had Posted Approximately \$77 Million in Losses over the Last Three Years

Until February 2008, Mr. Gotcher was President and CEO of Altair Nanotechnologies, Inc. During his stewardship, Altair's net losses steadily increased. On February 27, 2008, he agreed to resign as President and CEO of Altair. According to a press account, the company's board "determined that the level of progress made at this point in the development timeline of the company did not keep pace with the expectations that were set." See: "Altair CEO Alan Gotcher Ousted," Cleantech Group News report dated February 29, 2008. http://www.usatech.com/dl/Article_on_Gotcher_and_Altairnano.pdf.

During the 2007 calendar year, Altair lost \$31,470,621 and had revenues of only \$9,108,483. At the time of his resignation, Gotcher directly owned only 0.19% of the issued and outstanding shares of Altair. Further, in the year 2007, when Altair lost over \$31 million, Gotcher received a bonus of \$776,318 (\$428,600 of which was cash and \$347,718 of which was stock). \$459,451 of this bonus was discretionary.

Mr. Gotcher does not even own any shares of USAT.

Peter Michel Presides Over iSECUREtrac Corp (ISEC.OB), an OTC Bulletin Board Company With Only a \$4.3 Million Market Cap and \$22.4 Million In Negative Shareholder Equity

Since August 4, 2006, Mr. Peter Michel has been the CEO and President of iSECUREtrac Corp., a bulletin board company. On January 3, 2006, public records indicate that the price of the stock was \$1.85. As of November 25, 2009, the stock was trading at \$0.40. During the calendar year ended December 31, 2008, iSECUREtrac had a loss of \$5,825,000, and had revenues of only \$9,702,000. Mr. Michel currently directly owns only 0.69% of the issued and outstanding shares of iSECUREtrac Corp.

From May 23, 2005 to July 8, 2005, Mr. Michel served as the President and CEO of General Fiber Communications. On July 8, 2005, that company filed for Chapter 7 bankruptcy protection.

Mr. Michel does not even own any shares of USAT.

The Company's Board believes that an alleged securities law violator, a corporate executive of a bankrupt company and a corporate executive who was ousted from his job would not serve our shareholders well as directors of USAT.

Stock Price. We believe that the manner in which the Dissidents have characterized the USAT stock price is self-serving and misleading. They have chosen to highlight the stock price in 2003, when USAT was still in the research and development stage of its growth, with only \$2,853,068 in annual revenues for the fiscal year ended June 30, 2003. At the time, the USAT stock price (OTCBB) had a short term spike. To base their calculations related to stock price from a short term spike six years ago, while the Company was a penny stock on the OTC Bulletin Board, is misleading, and a blatant attempt to sensationalize the data to suit their agenda.

The Dissidents Propose to Remove the Staggered Board only to Serve their Own Interests.

We believe the removal of the Company's staggered Board would not be in the best interests of you or the Company. If our experienced Board were declassified, it could be entirely replaced in a single election by directors who are unfamiliar with our Company and its business strategies, thus jeopardizing the achievement of our strategic plan. **A classified board structure also restricts persons, such as the Dissidents, focused on short-term gain at the expense of long-term value, from taking rapid control of our company without paying an appropriate premium to all of our shareholders.** If the Company's Board were not classified, a potential acquirer whose nominees receive a plurality of the votes cast at an annual meeting could replace all or a majority of the directors with its own nominees, who could then approve a takeover proposal from that acquirer even if the price did not adequately value the Company.

Our Board Has Added Two New Highly Qualified Directors.

In October 2009, we added two new independent directors, Steven Barnhart and Jack Price. These and other actions taken by the Company's Board are the antithesis of an "entrenched" Board and demonstrate the Board's proactive thinking. Our Board believes that our experienced directors benefit from the new perspectives and viewpoints added by Messrs. Price and Barnhart. At the same time, new directors benefit from interaction with our existing directors who have much longer experience with our Company. From 2007 until January 2009, Mr. Barnhart was the President and CEO of Orbitz Worldwide, Inc., a publicly-traded, online travel business. Prior thereto and since 2003, Mr. Barnhart held various positions with Orbitz, including Chief Financial Officer. From 1990 to 2003, Mr. Barnhart held various positions with PepsiCo, Inc. From 2007 through March 2009, Mr. Price was President and CEO of NovaRay Medical, Inc., a medical imaging systems business. From 2003 to 2006, Mr. Price was the President and CEO of VSM MedTech Ltd. From 1996 through 2003, Mr. Price was the President and Division Chief Executive Officer of Philips Medical Systems, North America. Each of Mr. Barnhart and Mr. Price has on point knowledge and experience with our business model.

YOUR VOTE IS IMPORTANT - RE-ELECT YOUR DIRECTORS BY VOTING THE WHITE PROXY CARD

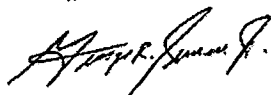
As explained in detail in our proxy materials, the directors of the Company's Board are elected by a plurality of votes. In other words, the nominees with the most votes will be elected. Therefore, we urge you to take action and send in the Company's enclosed WHITE proxy card and discard the Dissidents' blue proxy card. Our Board recommends that you not sign or return any proxy card sent to you by the Dissidents, even as a protest, since doing so may invalidate any previous vote you may have cast on our WHITE proxy card.

Your vote is important, no matter how many or how few shares you own. To vote your shares, please sign, date and return the enclosed WHITE proxy card by mailing it in the enclosed pre-addressed, stamped envelope. You may also vote by phone or the Internet by following the instruction on the enclosed proxy card.

If you have any questions or need any assistance voting your shares, please contact MacKenzie Partners, Inc., which is assisting the Company in this matter, toll-free at (800) 322-2885, (212) 929-5500 or USAT@mackenziepartners.com.

We will continue to keep you informed on this matter. Thank you for your continued support and confidence.

Sincerely,



George R. Jensen Jr.
Chief Executive Officer

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.

Copyright © 2007-2009 USA Technologies, Inc. All rights reserved



News

USA Technologies Ranked #6 in US, #34 Worldwide for POS Terminal Shipments for 2008

Malvern, PA, December 3, 2009 -- USA Technologies, Inc. (NASDAQ: USAT) announced today that The Nilson Report, Carpinteria, CA, a leading source of news and research on consumer payment systems worldwide, has again ranked USA Technologies among the leading shippers of point-of-sale (POS) terminals in the United States.

In a front page article, the September 2009 Nilson Report states that USA Technologies ranked 6th in POS shipments in the United States in 2008 - matching its 6th place ranking a year earlier - and 34th in the world.

"Despite the global recession, we continued to ship ePort to new and existing customers in the United States and Canada," said George Jensen, Chairman and CEO, USA Technologies. "Our cashless technology, especially designed for vending, unattended POS, and kiosks, continues to be recognized alongside global giants in the industry," he said.

USA Technologies was ranked 6th in the United States after worldwide giants VeriFone, Ingenico, Hypercom, First Data/Link Point, and Way Systems. No direct competitors of the USA Technologies in the beverage vending industry are listed in the report.

"The economy in the United States has never been more challenging, yet demand for our innovative cashless solutions continues as our technology and services respond to what the market wants - greater ease of use to increase consumer convenience, lowering operational cost through improved efficiencies, while opening up new market opportunities to fuel business growth," said Mr. Jensen. "Over the past 12 months we have seen our customer base grow to approximately 700 customers in the United States and abroad, with approximately 60,000 USALive network cashless connections," he said.

The ePort solution offers cashless payment options, from traditional magnetic stripe, to wireless contactless tap-and-go credit/debit cards, pre-paid solutions, and NFC payment using a cellular phone.

The Company recently announced an increase in the number of devices connected to the USALive® Network to approximately 60,000. The Company also announced that it projected 114,000 devices would be connected to its network by the end of December 2010.

The Company also announced that it expects to achieve positive net income in the quarter ended December 31, 2010.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.



News

USA Technologies Sends Letter to Shareholders

URGES THEM TO PROTECT THEIR INVESTMENT BY VOTING FOR THE BOARD'S NOMINEES ON THE WHITE PROXY CARD
 MALVERN, Pa.- December 7, 2010 -USA Technologies, Inc. (NASDAQ: USAT) (the "Company") today issued the following letter to shareholders in connection with the Company's Annual Meeting of Shareholders, scheduled for December 15, 2009.

December 7, 2009

**PROTECT YOUR INVESTMENT!
 VOTE THE WHITE PROXY CARD**

Dear Fellow Shareholders:

The USA Technologies Annual Meeting of Shareholders is just days away. You have an important opportunity to protect the value of your investment in USA Technologies by voting to re-elect all the members of your Company's highly-experienced and dedicated Board of Directors. **Vote FOR the Company's directors on the WHITE proxy card today.**

As you may know, two relatively new dissident investors, who together own less than 1.5% of USAT's shares, have nominated their own candidates to your Board. In so doing, they are attempting to seize effective control of your Company. **If you receive a blue proxy card from the dissident group, we urge you to immediately discard it.**

Your vote is important, no matter how many or how few shares you own, and we urge you to vote your shares. To vote your shares, please sign, date and return the enclosed **WHITE** proxy card by mailing it in the enclosed pre-addressed, stamped envelope. You may also vote by phone or the Internet by following the instructions on the enclosed **WHITE** proxy card.

**YOUR COMPANY HAS IN PLACE OPERATIONAL AND STRATEGIC INITIATIVES TO ACHIEVE PROFITABILITY FOR THE
 QUARTER ENDING DECEMBER 31, 2010**

USAT has a clear action plan in place to continue to capitalize on a strong product portfolio and customer relationships. The Company's management team, employees, and Board have built this Company into the recognized leader in the small-ticket, self-serve, cashless transaction market, and positioned USAT to generate shareholder value. We recently added several new products to our existing portfolio, including the innovative ePort G8™ and ePort EDGE™, that have been well received by customers, who are experiencing a better return on investment in the Company's products. As a leading provider in our industry, we have positioned ourselves aggressively in large, growing markets and have built a diversified customer base that includes leading consumer brands. In particular, today we do business with the leading brands that control a majority of the \$57 billion all-cash vending industry. Our business model is based on superior client service and multiple revenue streams: equipment sales, activation fees and recurring service and transaction fees.

Your Board and management team have taken proactive steps to reduce costs and improve profit margins. This has resulted in a 28% reduction in operating expenses during the past fiscal year, and we are targeting further cost reductions. As of the end of the last fiscal quarter, the Company had \$16.7 million in cash, and today is virtually debt free. We expect 2010 to be a year of substantial growth as we continue to implement strategic initiatives to increase revenues and reduce costs. **As a result, we expect each quarter to build towards profitability and we anticipate generating positive net income for the quarter ending December 31, 2010.**

THE DISSIDENT GROUP HAS NO CREDIBLE PLAN - JUST WORDS

The dissidents do not have any credible plan to create value that goes beyond USAT's initiatives, which are already underway.

- For example, the dissidents propose to "examine and scrutinize" the Company's cost structure. While the dissidents offer only words, we have already taken actions to significantly reduce costs after we have successfully commercialized our technology.
- Similarly, the dissidents suggest that the Company should "examine" its contracts with suppliers and the transaction fees charged by credit card companies. They apparently fail to recognize that we have already successfully renegotiated one major contract (as disclosed on November 20, 2009) and that we have been actively engaged for the last few months in a collaborative effort with our customers, business partners and suppliers to reduce transaction processing fees.

- The dissidents also propose that USAT should divest what they mistakenly consider "non-core" parts of the business. We believe the dissidents' proposal reveals their lack of understanding of what our core business is, namely: serving the small-ticket, self-serve, cashless transaction market. To leverage the investments we have made for the benefit of all shareholders, we strategically leverage our technology across key markets, targeting vending, kiosk and laundry, the largest all-cash markets in the United States.

We believe that the election of the dissidents' nominees who, we believe have demonstrated a lack of knowledge of our Company and industry, cannot further our progress. It is our view that giving them a near-majority on the Board could undermine important business inroads the Company has made and could jeopardize value for all shareholders.

PROTECT THE GROWTH WE HAVE ACHIEVED DO NOT LET THE DISSIDENTS TAKE CONTROL OF YOUR COMPANY WITHOUT PAYING YOU FOR IT

The simple truth is that your Board and management team have grown USAT from a penny stock on the OTC Bulletin Board in 2003 into a company listed on The NASDAQ Global Market with commercialized industry leading technology. We now proudly serve approximately 700 customers and service approximately 60,000 connections, and we recently achieved revenues of \$3.8 million for the fiscal quarter ended September 30, 2009. **At precisely the moment in the Company's history when we achieved market leadership and have developed a roadmap to achieve profitability, we believe that the dissidents are opportunistically seeking to take control of your Company to serve their own agenda.** The dissidents are attempting to distort and discount our achievements by cherry-picking stock price data that paints our Company, management team and Board in the worst possible light.

Under what we consider to be a smokescreen of misleading assertions, the dissidents seek to replace three of your experienced directors with three of their own nominees and have also made it clear that they intend to eventually reduce the Board's size to seven. This would mean that the dissidents would gain control of your Company extremely disproportionate to their less than 1.5% ownership. **With immediate control of 37.5% of the Board, or 42% if they succeed in reducing the size of the Board, they would be well-positioned to take over your Company without paying you a premium for your investment.**

In the dissidents' own filings with the Securities and Exchange Commission, they admit, **"we believe there is significant value in the company's business, talented employee base, and intellectual property."** The dissidents clearly recognize the significant value that USAT's management team and Board have built and are seeking to seize control of it.

Unlike the dissidents' nominees, every member of your Board is entirely committed to enhancing value for all shareholders. The results we are already seeing from our strategic plan are evidence of that commitment. In fact, our commitment to serving your interests is why we recently added two highly-qualified directors to the Board and why we sought to negotiate with the dissidents to reach a mutually agreeable resolution in order to avoid this costly, disruptive and unnecessary proxy fight.

WE URGE YOU TO REJECT THE DISSIDENTS' NOMINEES BY VOTING THE WHITE PROXY CARD TODAY

If you receive a blue proxy card, please discard it. If you have previously submitted a blue proxy card, you may vote in favor of the Board's nominees by following the instructions on the **WHITE** proxy card. If you have any questions or need any assistance voting your shares, please contact MacKenzie Partners, Inc., which is assisting the Company in this matter, toll-free at (800) 322-2885, (212) 929-5500 or USAT@mackenziepartners.com.

Thank you for your continued support and confidence in us.

Sincerely,



George R. Jensen Jr.
Chief Executive Officer

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.



News

USA Technologies Announces New Date for Annual Meeting Due to Misleading, Inaccurate and Selective Disclosure by Dissident Group

Rescheduled Meeting to be Held on June 15, 2009

Malvern, PA, December 9, 2009 -- USA Technologies, Inc. (NASDAQ: USAT) (the "Company") today announced that its Board of Directors has rescheduled the Company's Annual Meeting of Shareholders (the "Annual Meeting") to June 15, 2010.

The Board rescheduled the Annual Meeting due to what the Board believes to be misleading, inaccurate and selective disclosure regarding the Company made by the dissident shareholders seeking to replace three of the Company's directors with their own nominees. The Board was also concerned that, prior to filing their preliminary proxy statement with the Securities and Exchange Commission (the "SEC"), the dissidents had selectively disclosed to certain shareholders an extensive written presentation containing information that has not been disclosed to all shareholders. The Board believes that this information provides insight into the dissidents' true intentions in launching its proxy contest. This written presentation has never been filed with the SEC or made generally available to the Company's shareholders.

Shareholders with any questions may contact MacKenzie Partners, Inc., who is assisting the Company in this matter, toll-free at (800) 322-2885, (212) 929-5500 or USAT@mackenziepartners.com.

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.

Return to News index.